



BILL RICHARDSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT
Office of the Secretary
Harold Runnels Building
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, New Mexico 87502-6110
Telephone (505) 827-2855
Fax (505) 827-2836



RON CURRY
SECRETARY

DERRITH WATCHMAN-MOORE
DEPUTY SECRETARY

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Contact: Adam Rankin, NMED Communications Director
Phone: (505) 827-0314

Environment Department to Review Otero Mesa Gas Well Flaring Proposal

(Santa Fe, NM) — The New Mexico Environment Department (NMED) today announced that it is requesting additional information on emissions from the Harvey E. Yates Co. concerning proposed gas well flaring on Otero Mesa. NMED notified the company that it cannot flare, despite BLM approval to do so, until it is issued a state air quality permit.

NMED received notice this month that the U.S. Bureau of Land Management (BLM) has permitted the flaring of two natural gas wells on Otero Mesa without evaluating cumulative air quality impacts to the region or conferring with the Department to determine if an air quality permit might be required.

“Governor Richardson has pledged to do all he can to protect Otero Mesa from insensitive gas exploration activities and has directed the Environment Department to work with other state agencies to ensure this unique landscape and its groundwater are protected,” NMED Secretary Ron Curry said. “BLM continues to show its disregard for the State of New Mexico’s interests when it comes to energy development by issuing this permit to flare without requiring the Harvey E. Yates Co. meet state air quality requirements.”

According to BLM’s permit, two wells operated by Harvey E. Yates Co. in the Bennett Ranch Unit, #1-Y and 25-1, can flare gas for 30 days or flare a production limit of 50 million cubic feet, whichever occurs first. According to BLM’s approval, the company must notify BLM two weeks prior to flaring. Emissions from each well will likely exceed the state air quality threshold requiring a permit for carbon monoxide emissions, if flared according to BLM’s limit.

To determine how to develop and transport the oil and gas resources in the area, HEYCO must test the gas in the wells for quality and pressure. In the testing process, gas that is produced from the well is combusted or “flared” as it is released because there is currently no way to capture or transport gas from each well.

The flaring will also likely generate significant emissions of hydrogen sulfide, hazardous air pollutants, sulfur dioxide, nitrogen dioxide and volatile organic compounds that, when combined with oil and gas activities around the region, may add up to a significant impact on air quality. These air pollutants can have serious public health and environmental impacts. Carbon monoxide can have serious health effects in sufficient concentration. Nitrogen dioxide, sulfur dioxide and volatile organic compounds are respiratory irritants, can cause damage to plants and crops, and reduce visibility by forming smog.

“The first oil and gas activities at Otero Mesa will establish precedents for subsequent exploration and development in the area,” Curry said. “Because oil and gas activities emit many smog-generating pollutants and are also the second highest emitters of greenhouse gases in the state behind electricity generation, it is imperative that we exercise our authority to regulate and control these emissions.”

NMED is considering whether it will appeal BLM’s decision to allow 30 days of flaring from the wells and informed the Harvey E. Yates Co. that it needs to submit detailed analyses and supporting calculations to determine if an air quality permit will be issued. If a permit is deemed necessary, HEYCO must demonstrate emissions from each well and associated facilities will comply with state and federal standards. NMED will then review the application and issue or deny an air quality permit. Permit issuance may require approximately 120 days from the date of submittal of a complete permit application.

The environmental consequences of this flaring activity were not adequately addressed by the Bureau of Land Management in its November 15, 2005 Decision Record and Finding of No Significant Impact. NMED submitted detailed comments during the public comment period explaining these deficiencies and requesting an Environmental Impact Statement that would evaluate the cumulative effects of oil and gas development on air quality at Otero Mesa.

“What is troubling is that this approval to flare appears to be part of a strategy to break down Otero Mesa development activity into small steps, and fails to take into account the full ramifications of the complete oil and gas development around Otero Mesa on regional air quality,” Curry said.

For more information, contact Adam Rankin, NMED Communications Director, at (505) 827-0314.

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